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UNITED STATES DISTRICT COURT
 FOR THE SOUTHERN DISTRICT OF NEW YORK

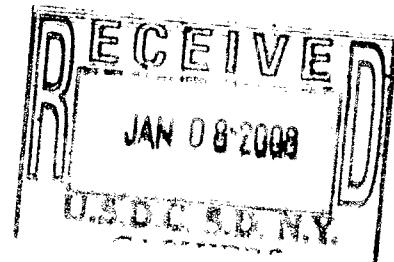
 GRAMERCY ARGENTINA OPPORTUNITY FUND,
 LTD. and GRAMERCY EMERGING MARKETS
 FUND,

Plaintiffs,
 :
 -against-
 :

THE REPUBLIC OF ARGENTINA,
 :

Defendant.
 :

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COMPLAINT

Gramercy Argentina Opportunity Fund, Ltd. ("GAOF") and Gramercy Emerging Markets Fund ("GEMF") (collectively, "Plaintiffs"), by their attorneys, Hughes Hubbard & Reed LLP, for their Complaint allege as follows:

Nature of Action

1. This is an action for breach of contract seeking over 39 billion Euros (approximately \$19 million) on one series of notes and 59 billion Italian Lire (approximately \$14 million) on another series of notes in principal, plus interest, owed under certain notes issued by defendant the Republic of Argentina (the "Republic"). The case is simple: (i) Plaintiffs are the

beneficial owners of the notes; (ii) the Republic has failed to make any payments of principal or interest on those notes; (iii) this failure constitutes a default under the governing instruments; and (iv) Plaintiffs sent letters declaring the entire principal, together with all unpaid accrued interest, immediately due and payable by reason of the default. Indeed, this Court has repeatedly entered judgment against the Republic for defaulting on notes held by other beneficial owners in circumstances identical to those here. *See, e.g., Franceschi v. Republic of Argentina*, No. 03 Civ. 4693, 2006 WL 2528460 (S.D.N.Y. Aug. 31, 2006); *Lightwater Corp. Ltd. v. Republic of Argentina*, No. 02 Civ. 3804, 2003 WL 1878420 (S.D.N.Y. Apr. 14, 2003). Judgment should be similarly entered against the Republic and in favor of Plaintiffs in this case.

The Parties

2. Plaintiff GAOF is a limited company organized and existing under the laws of the Cayman Islands with a principal place of business in the Cayman Islands.
3. Plaintiff GEMF is a limited company organized and existing under the laws of the Cayman Islands with a principal place of business in the Cayman Islands.
4. Defendant the Republic is a foreign state as defined in 28 U.S.C. § 1603(a).

Jurisdiction

5. This Court has jurisdiction pursuant to 28 U.S.C. § 1330.
6. Venue is proper in this district by consent of the defendant and pursuant to 28 U.S.C. § 1391(f).

The EMTN Notes

7. GAOF is the beneficial owner of certain notes (the "GAOF Euro Notes"), all issued by the Republic pursuant to the Trust Deed dated as of July 27, 1993 (the "Trust Deed"), the Terms and Conditions of the Notes dated as of July 27, 1993 (the "Terms"), and the Pricing Supplement dated January 6, 2000, as part of the Republic's then US\$15,000,000.000 Euro

Medium-Term Note Programme (the "EMTN Programme"), in the following amount and having the following identification code, maturity date, and interest rate:

Plaintiff	Bond Description	Principal Amount	ISIN	Common Code	Maturity Date	Coupon
GAOF	Euro Notes	EUR16,174,000	XS0105694789	10569478	January 7, 2005	10%

8. GEMF is the beneficial owner of certain notes (the "GEMF Euro Notes," collectively with the GAOF Euro Notes, the "Euro Notes"), all issued by the Republic pursuant to the Trust Deed, the Terms, and the Pricing Supplement dated January 6, 2000, as part of the Republic's EMTN Programme, in the following amount and having the following identification code, maturity date, and interest rate:

Plaintiff	Bond Description	Principal Amount	ISIN	Common Code	Maturity Date	Coupon
GEMF	Euro Notes	EUR23,059,000	XS0105694789	10569478	January 7, 2005	10%

9. GAOF is the beneficial owner of certain notes (the "GAOF Lira Notes"), all issued by the Republic pursuant to the Trust Deed, the Terms, and the Pricing Supplement dated July 6, 1998, as part of the EMTN Programme, in the following amount and having the following identification code, maturity date, and interest rate:

Plaintiff	Bond Description	Principal Amount	ISIN	Common Code	Maturity Date	Coupon
GAOF	Lira Notes	ITL38,650,000,000	XS0088590863	8859086	July 8, 2005	LIBOR

10. GEMF is the beneficial owner of certain notes (the "GEMF Lira Notes," collectively with the GAOF Lira Notes, the "Lira Notes"; the Euro Notes and the Lira Notes are

referred to collectively as the "EMTN Notes"), all issued by the Republic pursuant to the Trust Deed, the Terms, and the Pricing Supplement dated December 18, 1996, as part of the Republic's EMTN Programme, in the following amount and having the following identification code, maturity date, and interest rate:

Plaintiff	Bond Description	Principal Amount	ISIN	Common Code	Maturity Date	Coupon
GEMF	Lira Notes	ITL20,755,000,000	XS0088590863	8859086	July 8, 2005	LIBOR

11. Section 10 of the Terms defines "Events of Default" to include the following, *inter alia*:

- (a) *Non-Payment*: the Republic fails to pay any principal (or Amortised Face Amount) of any of the Notes when due and payable or fails to pay any interest on any of the Notes when due and payable and such failure continues for a period of 30 days.

(Terms at p. 46.)

12. The Republic has failed to pay interest on the EMTN Notes since 2001 and has never made any payments of principal on the EMTN Notes, even though the maturity dates have passed.

13. By reason of the foregoing, there has been an Event of Default on the EMTN Notes, and the Republic is in breach of its obligations to GAOF and GEMF. This default is continuing.

14. By notice dated May 29, 2007, The Bank of New York, the trustee with respect to the EMTN Notes, advised that such notes had been "declared immediately due and payable by the [t]rustee or its predecessors." The Bank of New York also advised, however, that it "does not intend to take any action against the Republic to enforce the terms of the Trust Deed, the

[EMTN] Notes and the Coupons" even though "[t]he Republic has shown no intention of honouring the demands for payment made by the [t]rustee and its predecessors. . . ."

15. By letters to The Bank of New York, as the trustee with respect to the EMTN Notes, dated January 8, 2008, GAOF and GEMF declared the principal of the EMTN Notes to be due and payable immediately, and any applicable interest to be immediately payable as well, and demanded that The Bank of New York commence proceedings against the Republic.

16. Upon information and belief, the Bank of New York has not commenced proceedings against the Republic.

17. Pursuant to sections 17.2-17.4 of the Trust Deed, the Republic (i) appointed Banco de la Nacion Argentina as its agent for service of process, (ii) agreed to submit to the jurisdiction of this Court, and (iii) agreed to waive any claim of immunity, including, but not limited to, sovereign immunity.

18. By reason of the foregoing, the Republic has breached its contractual obligations to GAOF and GEMF and is liable for damages in an amount to be determined at trial, plus interest.

COUNT ONE
Default On The GAOF Euro Notes

19. Plaintiff repeats and realleges each of the allegations contained in paragraphs 1-18 as if set forth here at length.

20. As set forth above, GAOF acquired notes with the principal amount of EUR16,174,000, identified by ISIN XS0105694789 and Common Code 10569478, and continues to own those notes.

21. As set forth above, the Republic has failed to make payments of interest on the GAOF Euro Notes since 2001 and has never made payments of principal on the GAOF Euro Notes.

22. As set forth above, there has been an Event of Default on the GAOF Euro Notes, and the Republic is in breach of its obligations under the Trust Deed and the Terms.

23. As set forth above, by letter January 8, 2008, GAOF notified the Trustee that it was declaring the principal and interest on the GAOF Euro Notes to be due and payable immediately.

24. By reason of the foregoing, the Republic has breached its contractual obligations and is liable for damages in an amount to be determined at trial, plus interest.

COUNT TWO
Default On The GEMF Euro Notes

25. Plaintiff repeats and realleges each of the allegations contained in paragraphs 1-18 as if set forth here at length.

26. As set forth above, GEMF acquired notes with the principal amount of EUR23,059,000, identified by ISIN XS0105694789 and Common Code 10569478, and continues to own those notes.

27. As set forth above, the Republic has failed to make payments of interest on the GEMF Euro Notes since 2001 and has never made payments of principal on the GEMF Euro Notes.

28. As set forth above, there has been an Event of Default on the GEMF Euro Notes, and the Republic is in breach of its obligations under the Trust Deed and the Terms.

29. As set forth above, by letter January 8, 2008, GEMF notified the Trustee that it was declaring the principal and interest on the GEMF Euro Notes to be due and payable immediately.

30. By reason of the foregoing, the Republic has breached its contractual obligations and is liable for damages in an amount to be determined at trial, plus interest.

COUNT THREE
Default On The GAOF Lira Notes

31. Plaintiff repeats and realleges each of the allegations contained in paragraphs 1-18 as if set forth here at length.

32. As set forth above, GAOF acquired notes with the principal amount of ITL38,650,000,000, identified by ISIN XS0088590863 and Common Code 8859086, and continues to own those notes.

33. As set forth above, the Republic has failed to make payments of interest on the GAOF Lira Notes since 2001 and has never made payments of principal on the GAOF Lira Notes.

34. As set forth above, there has been an Event of Default on the GAOF Lira Notes, and the Republic is in breach of its obligations under the Trust Deed and the Terms.

35. As set forth above, by letter January 8, 2008, GAOF notified the Trustee that it was declaring the principal and interest on the GAOF Lira Notes to be due and payable immediately.

36. By reason of the foregoing, the Republic has breached its contractual obligations and is liable for damages in an amount to be determined at trial, plus interest.

COUNT FOUR
Default On The GEMF Lira Notes

37. Plaintiff repeats and realleges each of the allegations contained in paragraphs 1-18 as if set forth here at length.

38. As set forth above, GEMF acquired notes with the principal amount of ITL20,755,000,000, identified by ISIN XS0088590863 and Common Code 8859086, continues to own those notes.

39. As set forth above, the Republic has failed to make payments of interest on the GEMF Lira Notes since 2001 and has never made payments of principal on the GEMF Lira Notes.

40. As set forth above, there has been an Event of Default on the GEMF Lira Notes, and the Republic is in breach of its obligations under the Trust Deed and the Terms.

41. As set forth above, by letter January 8, 2008, GEMF notified the Trustee that it was declaring the principal and interest on the GEMF Lira Notes to be due and payable immediately.

42. By reason of the foregoing, the Republic has breached its contractual obligations and is liable for damages in an amount to be determined at trial, plus interest.

WHEREFORE, Plaintiffs demand judgment as follows:

- i. On Count One, awarding GAOF damages against the Republic in an amount to be determined, plus interest;
- ii. On Count Two, awarding GEMF damages against the Republic in an amount to be determined, plus interest;
- iii. On Count Three, awarding GAOF damages against the Republic in an amount to be determined, plus interest;
- iv. On Count Four, awarding GEMF damages against the Republic in an amount to be determined, plus interest;

v. Awarding Plaintiffs costs, prejudgment interest, attorneys' fees and such other and additional relief as the Court deems just and proper.

Dated: New York, New York
January 8, 2008

HUGHES HUBBARD & REED LLP

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